

# PERAC

COMMONWEALTH OF MASSACHUSETTS | PUBLIC EMPLOYEE RETIREMENT ADMINISTRATION COMMISSION

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## MEMORANDUM

TO: North Adams Retirement Board

FROM: Joseph E. Connarton, Executive Director

RE: Approval of Funding Schedule

DATE: November 30, 2015

This Commission is hereby furnishing you with approval of the revised funding schedule you recently adopted (copy enclosed). The schedule assumes payments are made on July 1 of each fiscal year. The schedule is effective in FY16 (since the amount under the prior schedule was maintained in FY16) and is acceptable under Chapter 32.

The revised schedule reflects a reduction in the investment return assumption from 7.75% to 7.50% and the adoption of a fully generational mortality assumption.

If you have any questions, please contact PERAC's Actuary, Jim Lamenzo, at (617) 666-4446, extension 921.

Enc.



**North Adams Retirement System**  
**January 1, 2015 Actuarial Valuation**  
 7.50% Investment return assumption

Total appropriation increases 4.32% until FY28 with final amortization payment in FY29

<u>Fiscal Year</u>	<u>Normal Cost</u>	<u>Net 3(8)(c)</u>	<u>Amort. UAL</u>	<u>Amort. of 2002 ERI</u>	<u>Amort. of 2003 ERI</u>	<u>Total Cost</u>	<u>Unfunded Act. Liab.</u>	<u>Total Cost % increase</u>
2016	864,861	100,000	1,777,443	11,540	63,684	2,817,528	21,619,204	
2017	903,780	100,000	1,857,233	12,002	66,231	2,939,245	21,249,027	4.32%
2018	944,450	100,000	1,940,409	12,482	68,880	3,066,221	20,762,079	4.32%
2019	986,950	100,000	2,027,115	12,981	71,635	3,198,681	20,145,831	4.32%
2020	1,031,363	100,000	2,117,500	13,501	74,501	3,336,864	19,386,658	4.32%
2021	1,077,774	100,000	2,211,721	14,041	77,481	3,481,017	18,469,743	4.32%
2022	1,126,274	100,000	2,309,941	14,602	80,580	3,631,397	17,378,988	4.32%
2023	1,176,956	100,000	2,412,327	15,186	83,803	3,788,273	16,096,905	4.32%
2024	1,229,919	100,000	2,519,058	15,794	87,155	3,951,927	14,604,507	4.32%
2025	1,285,266	100,000	2,630,317	16,426	90,642	4,122,650	12,881,187	4.32%
2026	1,343,103	100,000	2,746,296	17,083	94,267	4,300,748	10,904,588	4.32%
2027	1,403,542	100,000	2,867,194	17,766	98,038	4,486,541	8,650,463	4.32%
2028	1,466,702	100,000	2,993,221	18,476	101,960	4,680,359	6,092,525	4.32%
2029	1,532,703	100,000	3,077,029	19,216	106,038	4,834,986	3,202,283	3.30%
2030	1,601,675	100,000				1,701,675	0	-64.80%
2031	1,673,750	100,000				1,773,750	0	4.24%

All amounts assume payments will be made July 1 of each fiscal year.

Normal cost includes expenses of \$180,000 and is assumed to increase 4.5% each year.

FY16 appropriation was maintained at the same level as the prior schedule.